THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) Yes, Sir.

Abolition of CST on ATF

2172. SHRI DATTA MEGHE: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have abolished Central Sales Tax (CST) on Aviation Turbine Fuel (ATF) for designated Indian Carriers flying abroad;

(b) if so, the details thereof;

(c) whether this CST on ATF shall have to be paid for domestic flights;

(d) whether his ministry has requested the Ministry of Finance to give some relief on ATF cost for domestic flights also;

(e) if so, the details thereof; and

(f) the reaction of the Ministry of Finance thereto?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) No, Sir. Finance Bill, 2005 proposes to amend Section 5 of CST Act, 1956 to declare sale of Aviation Turbine Fuel (ATF) to designated Indian carriers for their international operations as 'deemed export'.

(c) Yes Sir.

(d) to (f) Ministry of Finance was requested to notify ATF as 'Declared Goods' under Section 14 of the Central Sales Tax Act, which provides a list of goods which are of special importance in inter-State trade and commerce and caps the maximum rate of sales tax at 4%. So far, ATF sold to turbo-prop aircraft only has been notified as 'Declared Goods'.

Direct air service between Bagdogra and Mumbai/Kathmandu

2173. SHRI TARINI KANTA ROY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that there is a public demand to have direct flights between Bagdogra and Kathmandu and Bagdogra and Mumbai; and

(b) if so, the decisions of Government thereon?